

Message Text

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ACTION EA-14

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TO SECSTATE WASHDC 3745

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C O N F I D E N T I A L SEOUL 3015

JOINT EMBASSY/COMUSK MESSAGE

E.O. 11652: GDS

TAGS: MASS KS

SUBJECT: LOCKHEED AIRCRAFT ASSISTANCE TO ROK DEFENSE INDUSTRY

1. ROKG AGENCY FOR DEFENSE DEVELOPMENT (ADD) HAS ASKED LOCKHEED AIRCRAFT TO SUBMIT PROPOSALS FOR THREE SEPARATE JOINT VENTURES WITH KOREAN COMMERCIAL FIRMS AND FIVE PROPOSALS FOR ASSISTANCE TO ADD ITSELF IN RESEARCH AND DEVELOPMENT.

2. IN CONVERSATIONS WITH CHIEF JUSMAG AND AT EMBASSY LOCKHEED VICE PRESIDENT FOR ASIA, WILLIAM R. TUCK, SAYS ADD HAS REQUESTED PROPOSALS FOR: A) PROPELLENT PILOT PLANT AND RESEARCH AND DEVELOPMENT FACILITIES FOR PROPELLENTS BOTH TO BE OPERATED BY ADD; B) TRAINING PROGRAM FOR ADD PERSONNEL IN PROPELLENT R AND D, DESIGN, ENGINEERING, AND PRODUCTION; C) CONSTRUCTION OF A 4' X 4' WIND TUNNEL TO BE OPERATED BY ADD; D) TRAINING PROGRAM FOR ADD PERSONNEL IN FIRE
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CONTROL SYSTEMS DESIGN, ENGINEERING, SYSTEMS

INTEGRATION AND PRODUCTION; E) AN ADD/LOCKHEED PARTNERSHIP OR JOINT VENTURE TO RESEARCH, DESIGN, ENGINEER, BUILD AND TEST MISSILE PROTOTYPES. IN ADDITION TO DIRECT SUPPORT FOR ADD, BLUE HOUSE OFFICIALS AND ADD HAVE ALSO ASKED LOCKHEED TO EXAMINE POSSIBILITIES OF JOINT VENTURES WITH KOREAN COMMERCIAL FIRMS TO PRODUCE: A) A SMALL MISSILE; B) FIRE CONTROL SYSTEMS; C) COMBAT VEHICLES OBJECT OF THESE LATTER JOINT VENTURES WOULD BE TO DEVELOP ROK CAPABILITY TO DESIGN, ENGINEER, TEST AND PRODUCE THESE TYPES OF MILITARY EQUIPMENT. ACCORDING TO TUCK, REQUEST FOR JOINT VENTURE PROPOSALS STILL RATHER VAGUE. HE BELIEVES ROKS THINKING ABOUT ANTI-TANK ROCKETS, AIR TO GROUND MISSILES, SOMETHING TO COUNTER RUSSIAN MADE STIX MISSILE AND FIRE CONTROL SYSTEMS FOR VULCAN B. JUSMAG CHIEF HAS BEEN TOLD BY MND THAT ROKG IS INTERESTED INITIALLY IN ESTABLISHING MISSILE MAINTENANCE CAPABILITY AS ITS FIRST PRIORITY IN MISSILE FIELD.

3. WHILE TUCK HAS MADE CLEAR THAT HIS DISCUSSIONS WITH KOREANS ARE STILL IN PRELIMINARY STAGE HE INDICATES KOREANS ANXIOUS TO MOVE AHEAD QUICKLY. PROPELLENT PILOT PLANT DISCUSSIONS ARE APPARENTLY ALREADY PROCEEDING AT LOCKHEED HEADQUARTERS AND ADD IS NOW

PREPARING DETAILED EXPLANATION OF TRAINING PROGRAM IT WISHES FOR ITS PERSONNEL IN PROPELLENT RESEARCH AND PRODUCTION. TUCK HAS HIMSELF GIVEN US PAPER OUTLINING YEAR LONG TRAINING PROGRAM FOR FOUR TO FIVE ADD ENGINEERS IN RESEARCH, DESIGN, DEVELOPMENT AND PRODUCTION FIRE CONTROL SYSTEM. TUCK HAS ALSO SUGGESTED TO ADD THAT AGENCY AND LOCKHEED FORM A JOINT STUDY TEAM TO WORK OUT THE ORGANIZATION OF THE JOINT COMPANY TO CONDUCT RESEARCH ON AND TO DEVELOPE A KOREAN MISSILE CAPABILITY.

4. WHILE EXPRESSING APPRECIATION TO TUCK FOR KEEPING CONFIDENTIAL

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US INFORMED, EMBASSY AND JUSMAG HAVE MADE CLEAR THAT DETAILED REVIEW IN WASHINGTON WILL BE REQUIRED BEFORE NECESSARY APPROVALS, LICENSES AND SECURITY CLEARANCES INVOLVED IN THESE EXTENSIVE PROPOSALS CAN BE DECIDED ON. TUCK HAS INDICATED FULL APPRECIATION OF THIS FACT. HE EVINCES HIMSELF SOME SURPRISE AND DOUBTFULNESS ABOUT THE EXTENSIVE NATURE OF THE PROPOSALS LOCKHEED IS BEING REQUESTED TO SUBMIT

AND THE COMPLEXITY OF SOME OF THE PROJECTS BEING PROPOSED.

5. COMMENT: SOME OF VAGUENESS TUCK HAS FELT ON ROK SIDE UNDOUBTEDLY DUE FACT KOREANS ALSO BEGINNING TO TALK ABOUT THESE AND OTHER PROJECTS TO A NUMBER OF OTHER US AIRCRAFT COMPANIES, INCLUDING BOEING, NORTHROP, LTV, SIKORSKY, AND MCDONNELL DOUGLAS. ROKG CLEARLY SHOPPING AT THIS STAGE AND WISHES TO SEE WHAT PROPOSALS VARIOUS COMPANIES WILL COME UP WITH WHILE NOT COMMITTING THEMSELVES.

6. IN GENERAL, ROKS EXPLORATION OF DEFENSE INDUSTRY POSSIBILITIES IS HEALTHY SIGN THAT THEY MOVING RAPIDLY IN THIS AREA TOWARD GREATER SELF-RELIANCE AND IN KEEPING WITH SECRETARY CLEMENT'S DISCUSSIONS WITH MND YU AT SECURITY CONSULTATION MEETING SEPT 1973, DURING WHICH SECRETARY ENCOURAGED ROK JOINT VENTURES WITH US INDUSTRY. WE ARE SKITTISH ABOUT COMPLEXITY AND ECONOMIC WISDOM OF SOME OF PROJECTS CONTEMPLATED HOWEVER, PARTICULARLY IN HIGHLY SOPHISTICATED ELECTRONICS AND MISSILE BUILDING AREAS, WHERE THEY APPEAR TO BE BITING OFF MORE THAN THEY WILL BE ABLE TO DIGEST. ROKG MAY REACH THIS CONCLUSION ON ITS OWN.

7. WE ALSO RECOGNIZE THAT SOME OF PROJECTS BEING CONSIDERED BY ROKG, PARTICULARLY IN MISSILE FIELD, MAY POSE SIGNIFICANT POLICY QUESTIONS. THEREFORE FOR THE PRESENT RECOMMEND WASHINGTON AGENCIES ADOPT CAUTIOUS, NON-COMMITTAL APPROACH TO ANY US COMPANY PROPOSALS IN MORE SENSITIVE, OVERLY SOPHISTICATED FIELDS UNTIL ROKG HAS MORE CLEARLY DEFINED ITS CONFIDENTIAL

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